Property

Rising Affluence Along The Semenyih Corridor

OVERWEIGHT
(Maintained)

Analyst(s)
Ng Jo Yee
joyee@uobkh.com
+603 2147 1984

Highlights

- We visited EcoWorld's upcoming Eco Radiance township showcase and SP Setia's projects across the Semenyih and Bangi corridors, and came back upbeat on the area's long-term growth prospects, supported by rising affluence and continued township/infrastructure build-out.
- Semenyih's deepening commercial ecosystem and growing upgrader pool should support residential demand beyond affordability alone.
- Maintain OVERWEIGHT on the sector's palatable valuations at 0.84x 12 month forward P/B (+0.5SD above mean). EcoWorld and SP Setia are well poised to capture the corridor's growth, backed by sizable landbanks.

Analysis

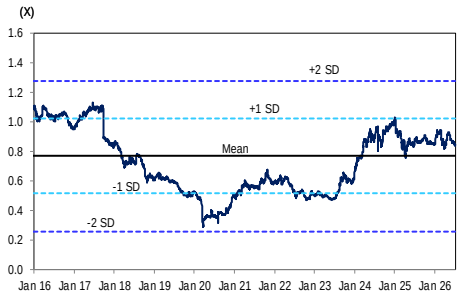
- **Attracting population to the Semenyih-Beranang corridor.** The Semenyih-Beranang corridor is emerging as the fastest growing sub-corridor within Ulu Langat. Kajang Municipal Council (MPKj) projects that its population will grow at a 4.5% 10-year CAGR from 265,900 in 2025 to 413,000 by 2035, equivalent to 83% of Kajang's projected population base. The growth is supported by the continued development of large-scale planned townships and improving road connectivity, such as the LEKAS and Silk highways
- **Long development runway backed by major township developers.** The corridor is supported by large-scale developments, with major players including EcoWorld, SP Setia and Mah Sing. EcoWorld has over 2,400 acres across the Semenyih corridor, providing a development runway of 8-10 years, while SP Setia has another 1,231 acres across Semenyih and Bangi, supporting more than 10 years of development. Mah Sing also has 461 acres remaining for M Legasi 1, with a further 275 acres earmarked for M Legasi 2 upon completion of its proposed land acquisition from SP Setia.
- **Growing prosperity in the wider Ulu Langat district.** More broadly, Ulu Langat appears to be attracting households with stronger earnings power, with average household income recording a 6.2% five-year CAGR to RM13,822 in 2024, higher than Selangor's 4.2% CAGR to RM13,296, per Department of Statistics Malaysia (DOSM). This is also reflected in the property transaction mix, with transaction volumes above RM800,000 growing faster at a 4.6% five-year CAGR over 2020-25 (vs 2.0% for transactions below RM800,000), per NAPIC. During our site visit, we understand that the Semenyih corridor demand is largely upgrader-driven, with buyers coming from surrounding areas including Cheras, Kajang and Bangi, as well as some from Seremban.

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Eco World	ECW MK	BUY	2.11	2.70
Lagenda	LAGENDA MK	BUY	1.40	1.88

Source: Bloomberg, UOB Kay Hian

Sector One-Year Forward P/B At 0.84x



Source: Bloomberg

Key Assumptions

(%)	FY24	FY25	FY26F	FY27F
Revenue Growth	17.4	7.1	19.3	11.1
Net Profit Growth	40.3	9.6	6.5	14.9
Net Margin	13.0	13.3	11.9	12.3

Source: Respective companies, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 8 Jul 26 (RM)	Target Price (RM)	Upside To TP (%)	Last Year End	PE 2025A (x)	PE 2026E (x)	PE 2027E (x)	Yield 2026E (%)	ROE 2026E (%)	Market Cap. (RMm)	PB 2026E (x)
Eco World Development	ECW MK	BUY	2.11	2.70	28.0	Oct-25	16.3	12.6	11.2	3.9	8.3	6,810	1.0
Lagenda Properties	LAGENDA MK	BUY	1.40	1.88	34.5	Dec-25	8.6	5.7	4.5	5.9	18.0	1,165	1.0
Mah Sing Group	MSGB MK	BUY	0.95	1.42	50.5	Dec-25	9.8	8.4	7.8	5.8	6.6	2,419	0.6
Matrix Concepts*	MCH MK	BUY	1.22	1.72	41.0	Mar-26	10.3	8.5	7.3	5.0	11.0	2,290	0.9
SP Setia	SPSB MK	BUY	0.92	1.22	32.1	Dec-25	7.1	10.2	9.3	2.1	3.2	4,648	0.3
Sunway Bhd	SWB MK	HOLD	5.05	5.70	12.9	Dec-25	29.5	26.6	22.8	1.2	7.5	34,140	2.0

**2025A/2026E/2027E refers to FY26/FY27F/FY28F*
Source: UOB Kay Hian

- **Deepening commercial ecosystem.** Since the opening of Majestic Labs in Sep 25, footfall within Eco Majestic's commercial precinct has increased, while visitation data indicates that residents are increasingly staying within Semenyih for their weekend needs rather than travelling to other parts of the Klang Valley. Majestic Labs (NLA: 110,000sf) is complemented by lifestyle, F&B, banking and wellness offerings such as the IKEA pop-up store, Chef Kecik, Canton Boy, Mokky's, Believe Fitness, and RHB Bank. We understand that the IKEA pop-up is among the strongest performing IKEA pop-up stores in Malaysia, while Focus Point sales have improved following a shift towards more premium merchandise. Located around 10 minutes away, the larger Setia EcoHill Mall (NLA: 280,000sf) provides a complementary neighbourhood offering, anchored by AEON Style Supermarket, which opened in Dec 25, alongside tenants such as Machines, Xiaomi, Anytime Fitness and EcoShop.
- **Eco Radiance to drive EcoWorld's next phase of Semenyih growth.** We visited the sales gallery for Eco Radiance, EcoWorld's next major township in the Semenyih corridor. The township has an estimated GDV of RM4.6b across 847 acres and is planned around landed residential precincts alongside the 180-acre Radiance City commercial hub, upcoming Radiance Labs and a 13.5-acre central park. Its maiden residential precinct, Astrea, will comprise strata-titled terrace homes with built-ups of 1,700-2,300sf across four configurations, with indicative selling prices ranging from above RM680,000 to RM1.0m, or around RM400 psf. The project is targeted for launch by end-4QFY26 and should support sales momentum into FY27. With 7MFY26 sales already at RM3.28b, we believe EcoWorld remains on track to meet our FY26 sales assumption of RM4.8b (+6% yoy).
- **SP Setia stands out for the breadth of its product offering.** Its 2,623-acre township footprint across Semenyih and Bangi spans Setia EcoHill, Setia EcoHill 2, Setia Mayuri and Setia Alamsari, with 1,231 acres remaining to support more than 10 years of development. During our visit, we saw how its product range caters to different buyer profiles and life stages. At Setia EcoHill, the Queensville single-storey bungalow precinct was introduced partly in response to demand from retirees looking to right-size while remaining in a landed home. It has carved out a 25-acre site for Setia EcoHill Business Park at Setia EcoHill 2, with semi-detached industrial buildings selling for over RM3.3m. Meanwhile in Bangi, Gardenvale and Elysian at Setia Alamsari cater to family upgraders across different price points. Setia Alamsari's commercial scene has been doing well, with starting prices for Setia Alamsari shop offices rising from RM1.5m for Emporia in 2022 to RM2.2m for Impiana in 2026.

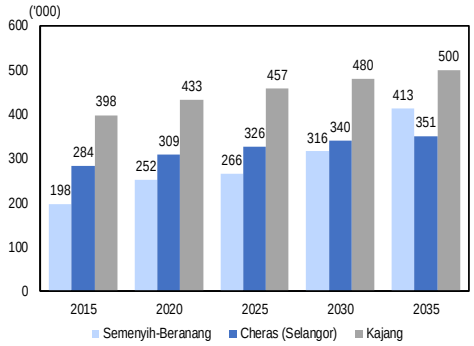
Valuation/Recommendation

- **Maintain OVERWEIGHT,** due to: a) sustained industrial momentum, b) residential sales picking up after 1Q seasonal slowdown and as developers backloaded launches towards 2H26, and c) cost impact remaining manageable so far. Our top picks are: a) EcoWorld, supported by strong industrial exposure; and b) Lagenda, supported by above-industry margins and record-high unbilled sales. We also like Mah Sing for its increasingly attractive valuation, currently trading at 8.4x 2026F PE with a dividend yield of 5.9%/6.3% for 2026/27.

Sector Catalyst/Risk

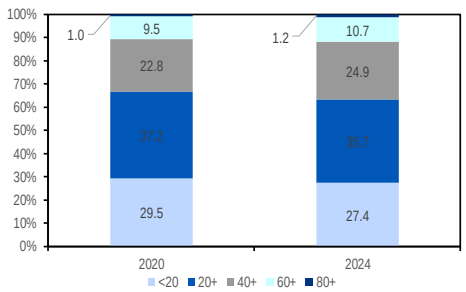
- **Key sector risks:** a) Unsuccessful execution of infrastructure- or property-related developments and negative newsflow, b) slower-than-expected take-up rates caused by macroeconomic uncertainty, c) spikes in building material costs, and d) impairments on receivables and completed inventories.

Semenyih-Beranang Corridor Population Growth



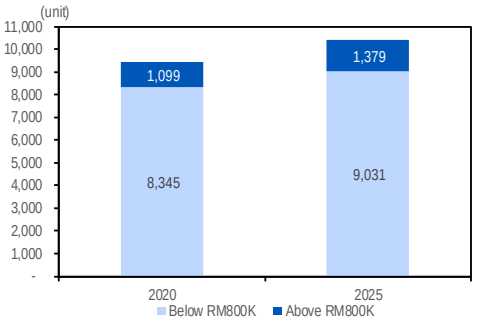
Source: MPKj, UOB Kay Hian

40+ Age Group – Fastest Growing Segment In Ulu Langat



Source: DOSM, UOB Kay Hian

Transactions >RM800,000 In Ulu Langat Grew At A 4.6% 5-Year CAGR



Source: NAPIC, UOB Kay Hian

Key Statistics As Of End-1Q26

	Net gearing (x)	Unbilled sales (RMb)	Unbilled sales/property revenue (x)
Eco World*	0.22	5.4	1.5
IOIPG	0.92	2.1	1.1
Lagenda	0.59	1.7	1.6
Mah Sing	0.39	3.3	1.7
Matrix	0.37	1.5	1.2
SP Setia	0.30	4.3	1.0
Sunway	0.30	9.0	4.9

**as of end May 26*
Source: Respective companies, UOB Kay Hian

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at the following link: https://research-api.uobkayhian.com/assets/disclaimer/df64a6ea-7980-447c-ae9e-fd19b93257dc or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."